



DEPARTMENT OF THE ARMY

U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CERM-BA

20 JUN 2003

MEMORANDUM FOR Commanders and Directors, USACE Commands

SUBJECT: Revolving Fund, Capital Investment Threshold and Capitalization Threshold

1. Reference CERM-B/CERM-F Memorandum dated 12 June 2003, Subject: Revised Policy for Capitalization Threshold for Property Plant and Equipment (PP&E) Assets.
2. The purpose of this memorandum is to clarify reference memorandum and provide additional guidance on implementation.
3. The referenced memorandum raised the capital investment threshold for the Revolving Fund, Plant Replacement and Improvement Program (PRIP) funded PP&E assets from \$25,000 to \$250,000 but did not change the financial-capitalization threshold for Civil PP&E assets. The financial capitalization threshold remains unchanged at \$25,000 for personal property and \$0 for real property for all Civil PP&E including revolving fund assets.
4. CEFMS programming will be changed to accommodate recording a revolving fund asset (\$25,000 to \$250,000) on the balance sheet, which is not funded through the PRIP. However, the required changes to CEFMS will not be completed in time for Commands and Activities to modify their FY04 PRIP Investment Program as instructed in referenced memorandum. Therefore, previous guidance to allow implementation in FY04 is hereby rescinded. The effective date for the increase to the Revolving Fund, PRIP investment threshold is 1 October 2004.
5. Point of contact for this action is Marilyn VH White (CERM-BA), 202-761-8965.

FOR THE COMMANDER:

STEPHEN COAKLEY
Director of Resource Management